

# **VERN'S COLLISION AND GLASS**

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## **SENATE BILL 991**

Subject: Sales Tax on Core Charges that are Returned or Exchanged

### **TESTIMONY**

Mr. Chairman, and members of the committee –

My name is Mike Herriman and I am the owner of Vern's Collision & Glass in Flint, Michigan. I am here to support Senate Bill 991 which would eliminate sales tax on parts that have a core charge which are exchanged or returned. It is my belief that Michigan is the only State that taxes consumers for their exchanged or returned part. To draw parallel to the situation, it would be like adding sales tax onto bottle and can deposits which would not be refunded when they are returned.

Though this law has been in place for many decades, it has recently become even more of an issue since vehicle manufacturers are now beginning to add core charges to outer body parts like bumper covers and lamps. The belief is that they are attempting to be environmentally responsible in making sure these parts that can be recycled are, instead of winding up in our landfills.

The challenge for my peers and I, is that we constantly receive pushback from the insurance industry on this matter because in accordance to them, Michigan is the only state attempting to collect. Additionally, it is extremely difficult to explain this to the consumer as to why a tax had to be collected on a part that was exchanged or returned. I ask you Mr. Chairman and members of this committee, to please support this bill as I do, helping us end this non-competitive tax here in Michigan

Thank you for your time.